

Reported Recommending
Ind. Postponed
Passed House
Failed to Pass House
Passed Senate
Failed to Pass Senate

House File 77

January 22, 1947.
Departmental Affairs.

By NIELSEN.

A BILL FOR

An Act to amend section four hundred twenty-two point sixteen (422.16), Code 1946, relating to deductions for income tax of nonresidents by withholding agents.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section four hundred twenty-two point
- 2 sixteen (422.16), Code 1946, is amended by striking from
- 3 lines nine (9), ten (10) and eleven (11) of subsection
- 4 one (1) the words "not exceeding four thousand dollars,
- 5 the amount withheld shall be two percent" and
- 6 substituting in lieu thereof the words "the amount
- 7 withheld shall be at such rate or rates as the commission
- 8 shall by rule prescribe to equal the anticipated tax
- 9 liability of such nonresident."

EXPLANATION OF H. F. 77

The present statute requires a deduction from salaries paid to nonresidents of two percent on amounts over fifteen hundred dollars and not exceeding four thousand dollars of annual salary, but if the salary amounts to four thousand dollars or more five percent must be deducted from the whole amount over fifteen hundred dollars. In some instances these deductions amount to nearly twice the tax liability and the over-plus has to be refunded. The purpose of this bill is to permit the State Tax Commission to compute the amount to be deducted to approximate the amount of the tax liability.